



## Proposed cuts in RIte Care draw criticism

**In response to Governor Carcieri's budget proposal to cut \$43.3 million from the program, advocates and health-care providers say that RIte Care, with 124,000 enrollees, delivers good value for the state.**

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Blayne Dowdy doesn't understand why Governor Carcieri wants to take away her health coverage. A nursing student, part-time worker, and mother of a 3-year-old, Dowdy qualifies for the state RIte Care program, which pays for the \$150-a-month eye drops that she needs to treat her glaucoma. Without the medicine, she could lose her vision. But if the General Assembly goes along with Carcieri's budget proposal, Dowdy might indeed go without. Her daughter would still be covered, but Dowdy, 27, of Woonsocket, would join the ranks of the uninsured.

Trying to close a huge budget deficit, Carcieri has proposed some \$43.3 million in cuts from RIte Care, including removing 6,800 RIte Care parents whose incomes are above 133 percent of the federal poverty level. Dowdy's \$17,774 income is just above that cutoff point. Carcieri's spokesman, Jeff Neal, calls it a "difficult" choice; he said RIte Care eligibility was one of the last places the budget-makers looked for cuts. But something's got to give when the state is \$300 million in the hole, he said.

To Dowdy, it doesn't make sense. "I am working. I'm not on welfare. I'm trying to better myself," she said. "It's important for him to think about people like that who are trying to get themselves together." Dowdy is not the only person who is baffled and upset by the governor's plans for RIte Care, a 12-year-old managed-care Medicaid program regarded around the country as a model.

Advocates and health-care providers say that RIte Care, with 124,000 enrollees, delivers good value for the state. RIte Care is the least expensive part of the state Medicaid program for the poor. Much more Medicaid money goes to the elderly and disabled. RIte Care enrollees make up two-thirds of Medicaid beneficiaries, but consume only a fifth of Medicaid dollars. And for every dollar the state spends on Medicaid, the federal government pays back more than 50 cents. "RIte Care is the most efficient health program that we have," said Marti Rosenberg, director of Ocean State Action, an advocacy group. "Why aren't we instead creating this kind of managed system for our elder population? . . . We could probably save money in that way."

What's more, the governor's critics argue, changes in RIte Care will increase the number of uninsured people. Those people will still need -- and get -- health care, but they will delay care until they are severely ill and seek it in expensive emergency rooms, raising

costs for everyone. "This ultimately represents cost shifting," said Edward J. Quinlan, president of the Hospital Association of Rhode Island. "It's a savings for the state. It's not a savings for the health-care system."

State officials launched RItE Care in 1994 to improve the care that poor children and their families received, and to slow the growth in Medicaid expenditures. All the evidence suggests that it worked. Data show significant improvements in maternal and child health and high patient satisfaction. At the same time, RItE Care costs have increased at much slower rates than those of commercial health plans. RItE Care gradually expanded in the late 1990s, each year adding new groups of beneficiaries.

Carcieri's proposed budget is the first significant attempt to scale back a program that has become the pride of local health-care policymakers. Neal, his spokesman, said the governor chose to eliminate the two groups most recently added to RItE Care -- the 6,800 parents with incomes above 133 percent of poverty, and 3,000 immigrant children, many of whom are here illegally. Carcieri also wants to require 2,344 low-income families on RItE Care to pay \$42 monthly premiums, and proposes increasing the premiums of the 5,000 who already pay them, bringing in an extra \$3 million.

Elizabeth Burke Bryant, executive director of Rhode Island Kids Count, said that eliminating the parents' coverage will affect their children. "We know from research that children get better access to care if their parents are also accessing care," she said. Mark Reynolds, chief executive officer of Neighborhood Health Plan of Rhode Island, an HMO that serves primarily RItE Care enrollees, said that higher premiums will also drive people off the rolls. "They will still be using health care," he said. "Those costs will still show up in the system."

Neal pointed out that "Rhode Island currently has one of the most generous health-care assistance programs in the country. The cost of that program has been rising dramatically." Adding to the problems, Neal said, the federal share of the Medicaid costs will drop from 54 percent to 53 percent in the next fiscal year -- a \$35-million loss for the state. Failure to act now, Neal said, would lead to more drastic changes later. "The governor is trying to preserve the core benefit for the people the program was originally created to serve," he said. Additionally, the governor's plan to help small businesses afford health insurance for employees, Neal said, could eventually bring health insurance to 27,000 uninsured people.

The advocates aren't buying that argument. "Why would you create something new that might work," Rosenberg said, "when you've already got something that does work -- and brings in federal dollars?" "His Medicaid and RItE Care reductions are going to negate the increases in coverage that he's able to provide through his new small business initiative," Reynolds said.

But Gary S. Sasse, executive director of the Rhode Island Public Expenditure Council, a business-sponsored watchdog group, applauded the governor's budget. If the state wants

to avoid new taxes to improve economic competitiveness, and also increase spending on education, then entitlement programs such as Medicaid have to be cut, Sasse said. "It's a tough choice," Sasse said. "No one likes to make these decisions. . . . I commend the governor for putting it on the table."

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